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FROM THE U.S. MISSION TO THE UN AGENCIES IN ROME

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SUBJECT: RESPONSE TO DEMARCHE ON "CLUSTER LEADS" STRATEGY  
FOR INTERNALLY DISPLACED PERSONS

REF: STATE 215257

1. Summary. This message responds to reftel query of UN agencies regarding a strategy for more effective division of labor among these agencies in the field in meeting the needs of internally displaced persons (IDPs). USUN-Rome transmitted to the World Food Program (WFP) as the sectoral lead on logistics the seven pertinent demarche questions (A-G); see Section I for WFP's detailed responses. Also, based on a request by USUN-Rome and on communications with USAID/DCHA's Jeff Drumtra, Mission transmitted same to the Food and Agriculture Organization (FAO); see Section II for FAO's response. USUN Rome echoes many of the concerns raised by the FAO regarding coordination, and in addition has concerns regarding the possible financial impact of WFP's role in the logistics clusters and the need for closer oversight by the WFP Executive Board. End Summary.

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Section I: WFP Response to the Questionnaire  
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2. A) APPROVAL PROCESS: It is important at the outset to underscore that the cluster lead approach as approved by the Inter-Agency Standing Committee (IASC) is projected to be used in all large complex emergencies and is not restricted only to response to IDP situation. WFP considers its responsibility as cluster lead for logistics as an elaboration of an existing role. WFP has previously been given responsibility by the IASC for management of the UN Joint Logistics Center (UNJLC) and IASC has endorsed WFP leadership of the UN Humanitarian Air Service (UNHAS). WFP has in the past performed interagency logistics services on a case-by-case basis and views the "cluster lead" designation as providing a more formal, systematic basis for providing such services. The WFP Executive Board has already approved WFP performing interagency logistics and telecommunications services: 1) when requested by other parts of the UN system; and 2) when sufficient resources are available to perform such services. WFP therefore does not believe it needs additional governing board authority to accept the cluster lead agency role, which has already been approved internally by its Executive Director. The Program will, however, keep its Executive Board regularly informed of WFP activities undertaken in its cluster lead role.

B) TIMEFRAME: The logistics cluster is preparing a written plan on future cluster work for consideration by the IASC Principals. Any decision on when and how to share this plan with donors will be taken collectively by the IASC.

C) FUNDING: WFP expects there will be some additional costs in carrying out its cluster coordination and preparedness responsibilities, as well as costs in providing interagency logistics and emergency telecommunications services in specific emergencies. Exact costs will depend on the frequency and size of emergencies for which interagency cluster logistics services are requested. WFP does not view the cluster lead as having a major role in raising resources for other actors involved in the sector. WFP does have the capacity to mobilize cash resources for operational implementation of interagency logistics and telecommunication services through the Special Operations (SO) program category established by its Executive Board.

D) STAFFING & ORGANIZATION: WFP expects that there may be need for some modest staffing increases in the logistics service within WFP, but the full implications on internal organizational structure are still under consideration. Any staffing changes are likely to be at the level that can be approved by the Executive Director under his delegated authority, but the WFP Executive

Board would be informed of the organizational implications of cluster leadership. To the extent cluster responsibilities require additional resources, board approval may also be required.

E) COORDINATION VS. OPERATIONAL: As food aid provided by WFP usually presents the largest logistical requirements in any humanitarian emergency, WFP will be "operational" in logistics for its own programs in virtually every emergency. The extent to which it assumes broader interagency coordination or operational tasks will depend on the specifics of the situation and what is requested of WFP by the humanitarian coordinator and the UN Country Team (UNCT) and what coordination tasks can be managed solely by the UNJLC. At the global level, both cluster leads and OCHA are at the service of the IASC. At the country level, cluster leads and OCHA support the humanitarian coordinator (HC). WFP's links with OCHA are through the IASC and the HC.

F) LAST RESORT: The logistics cluster has developed its workplan on the basis that other sectors (shelter, water and sanitation, food, health) will manage their own logistics as part of an integrated supply chain approach in most circumstances. WFP as cluster lead would provide interagency logistics services as a "last resort" when the size and magnitude of the logistics challenges require more robust interagency coordination and action. Requests from other agencies/cluster leads, vetted through the HC, would be the basis of considering providing such "last resort" services. WFP believes that cluster leads should be prepared to initiate activities in a crisis even before donor contributions flow if donors provide sufficient resources through early response mechanisms (such as WFP's Immediate Response Account or OCHA's CERF) to permit funding advances to cover costs of early response.

G) PILOT COUNTRY TEST: The UN Country Teams in Liberia, DRC and Uganda have proposed cluster arrangements that do not exactly parallel the nine clusters established by the IASC at the global level. WFP believes such flexibility at the country level is essential. In the case of Liberia and the DRC, the UNCT has expressed interest in having a food security cluster (with WFP and/or FAO leadership), representing an enhancement of existing sectoral coordination mechanisms already existing in country. It is not clear at this time if the logistics requirements in any of these three countries will require any additional responsibilities for WFP as cluster lead. WFP believes it is too early to tell if the cluster approach will lead to changes in the division of labor in Sudan, a situation that is further complicated by the existence of a significant humanitarian coordination structure under the authority of the UN integrated mission in Sudan. WFP believes that, on balance, use of the cluster approach in Pakistan was positive, but that there were lessons for improving the cluster approach in the future. These include: 1) the importance of allowing the country team to modify global cluster divisions of labor and leadership roles if required to respond to local circumstances; 2) the need to manage cluster meetings and coordination mechanisms more efficiently so they enhance rather than delay quick operational action; and 3) clarity that cluster leads at country level report to the HC, and not to the global cluster lead headquarters unit, so as to ensure coherent management of the overall humanitarian response at country level.

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Section II: FAO Response to the Questionnaire  
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13. Global clusters with lead agencies have been identified to address key gaps in humanitarian action, following the findings of the Humanitarian Response Review (HRR) that was commissioned by OCHA in the wake of the perceived slow humanitarian response to the outbreak of conflict and massive displacement in Darfur. The OCHA led cluster initiative was meant to be about identifying ways of plugging the gaps, particularly in the first three months, to sudden onset crises. However, the process has gained a lot of momentum and is likely to influence the architecture of planning in protracted crises and post conflict transition, as we have seen in DRC where the DSRSG has taken up the HRR clusters with enthusiasm.

14. Organization and leadership is: not yet cast in concrete; far from comprehensive (i.e., it does not cover those sectors not identified as a problem); and meant to be applied flexibly. For instance there is no food cluster because it was not identified as a gap and leadership of WFP is not in question. But there is a Nutrition cluster led by UNICEF, which focuses only on supplementary and therapeutic feeding. While the

clusters were not intended to become the basis for a new architecture for appeals, it does seem to be going that way.

15. Most agencies are unhappy with the plethora of HQ-based meetings (particularly in the Geneva bubble) and emails when the focus would rather be on supporting the field. Many agencies are also complaining about the excessive haste in the process resulting in many problems and confusion so far, particularly in rolling out the cluster approach in Pakistan and the DRC. On the other hand, the big agencies that have been assigned or lobbied heavily for cluster leadership roles do see it as an opportunity to better their own resource mobilization.

16. In the field, the Resident/Humanitarian Coordinator and the UN Country Team (UNCT) define the clusters, sectors, leaders and architecture of appeals based on crisis-specific humanitarian issues to be addressed and the comparative advantage of each agency for a leadership role. For instance in DRC, FAO leads a food security cluster with WFP and there is no early recovery cluster (which was meant to be a forum for addressing a cross cutting issue and not to be a component of an appeal).

17. In Pakistan, it made no sense to have a nutrition cluster focusing on therapeutic and supplementary feeding, as this was not an issue. Thus, WFP and UNICEF joined forces and formed a food and nutrition cluster and did a food security assessment with Oxfam including the impact of the earthquake on livelihoods. FAO was sidelined to an early recovery/reconstruction cluster led by UNDP (which donors had no interest in because funds were short and priority was given to life saving. In FAO's view, this really backfired as it reinforced the divide between saving lives and saving livelihoods while FAO, the Tufts Famine Centre and others have been arguing that saving livelihoods saves lives). In many ways, FAO was marginalized by the UNDP Coordinator and UNCT even though FAO did try hard to include a better livelihoods assessment than by Oxfam. Ninety-five percent of the affected population have agricultural-based livelihoods and have lost most of their productive assets. Unless steps are taken to protect surviving livestock and ensure the spring planting, malnutrition will become a problem and food aid will be required at a much higher cost through 2007. FAO has discussed this experience with WFP. At the HQ level, WFP is interested in joining forces on a food security cluster and in food security/livelihood assessments. In the field, however, some WFP directors may not want to play that way.

18. A real issue is that cluster leaders may abuse their leadership role particularly when resources are short to bias decision-making on resource allocation towards their agency and sector and that other sector leaders lose their voice in meetings with the UN Coordinator and donors. Already some strong sector leaders are arguing for their sector to become a cluster. For instance, health was not identified as a gap, but WHO argued and won the case for a Health cluster; similarly UNICEF is arguing for an Education cluster. FAO should join forces with other agencies around food and nutrition security, and fight very hard when it believes protection of agricultural-based livelihoods is not being given the attention and funding it deserves.

19. FAO will raise these issues at the December meeting of the heads of agencies to discuss the cluster approach in humanitarian action. FAO believes that clusterization is not yet principled, but over driven by the strong agencies' funding interests. Meanwhile, work on standardizing a Needs Analysis Framework (NAF) that would be less biased by agency interests has gone on the back burner. Donors could ensure that the NAF is brought back to the top of the agenda. Moreover, if rampant clusterization continues the guidelines for needs analysis, Common Humanitarian Action Plans (CHAPs), Consolidated Appeals Process (CAPs) and Flash Appeals will have to be modified. FAO will continue to advocate for an holistic approach to food security, including protection and early rehabilitation of agricultural-based livelihoods as a key component of humanitarian action in order to reduce needs first and enable a rapid exit.

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USUN Rome Comments:  
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10. USUN Rome finds the frank discussion of concerns of clusterization in the FAO response useful. We have concerns over WFP's responses to B) Approval Process and C) Funding. In the interest of more transparent and controlled costs as well as an efficient and effective WFP, USUN Rome and USAID/Food For Peace are currently engaging WFP in a dialogue on issues of increased costs

relative to food aid delivered and an Indirect Support Cost charge that exceeds actual overhead costs. Although the WFP Executive Board has approved Special Operations to include enhanced coordination within the UN system and with other partners through the provision of designated common services, of which interagency logistics coordination and telecommunications projects are part, as its largest donor, the U.S. must be mindful that this extended role may generate financial implications to WFP and donors. Understanding the clusters framework was created to fill notable gaps in humanitarian assistance, the WFP Executive Board at a future date may need to discuss this issue to further clarify the parameters for the use of funds related to the clusters strategy. We are concerned that decisions made by the IASC and OCHA may circumvent or work at cross-purposes to the WFP Executive Board. USUN Rome is available to query further on this or any related UN cluster leads strategy.

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